

IN THE CLAIMS:

A complete listing of the claims is set forth below. Please enter the following amendments:

1. **(Previously Presented)** A computer-implemented method of valuing products, the method being performed using one or more processing units, the method comprising:

using one or more processing units, assigning a price to each of a plurality of products, each product comprising a plurality of product components;

using one or more processing units, assigning a demand probability value to each product;

using one or more processing units, calculating a component value for each component by performing the following steps:

(a) assuming a beginning value for each component;

(b) for a first component, calculating prorated values, such that for each product using that component, a prorated value is calculated on that component by calculating the difference between the product price and a value of the product's other components;

(c) calculating a component value as a function of the prorated values and the probability values;

(d) repeating steps (b) and (c) for all other components;

(e) determining whether the component values converge; and

(f) if any component value does not converge, using the calculated component value as the beginning component value and repeating steps (b) through (e) for that component; and

using one or more processing units, calculating a value for each product, based on the results of the preceding step, by summing the component values of all components of that product.

2. **(Previously Presented)** The method of Claim 1, wherein step (c) is performed by multiplying probability values by prorated values.

3. **(Previously Presented)** The method of Claim 1, wherein step (c) is performed by obtaining a sum of products of probability values and prorated values.

4. **(Previously Presented)** The method of Claim 1, wherein the probability values include both the probability of demand for a product and the probability that demand will arrive in a certain order relative to other products.

5. **(Previously Presented)** The method of Claim 1, wherein the method is performed to value non-standard products and assigning prices to products is performed by assigning prices of standard products.

6-15. **(Canceled)**

16. **(Previously Presented)** Valuation software for valuing manufactured products embodied in a computer-readable medium and operable to perform the following steps:

assigning a price to each of a plurality of products, each product comprising one or more product components;

assigning a demand probability value to each product;

calculating a component value for each component by performing the following steps:

(a) assuming a beginning value for each component;

(b) for a first component, calculating prorated values, such that for each product using that component, a prorated value is calculated on that component by calculating the difference between the product price and a value of the product's other components;

(c) calculating a component value as a function of the prorated values and the probability values;

(d) repeating steps (b) and (c) for all other components;

(e) determining whether the component values converge; and

(f) if any component value does not converge, using the calculated component value as the beginning component value and repeating steps (b) through (e) for that component; and

calculating a value for each product, based on the results of the preceding step, by summing the component values of all components of that product.

17. **(Previously Presented)** The valuation software of Claim 16, wherein each product has an associated lead time and wherein calculating a value for each product further comprises using the lead time values and the component values to determine product values.

18. **(Previously Presented)** The valuation software of Claim 16, wherein each product has an associated delivery time and wherein calculating a value for each product comprises using the delivery time values and the component values to determine product values.

19. **(Previously Presented)** The valuation software of Claim 16, further operable to use the product values to determine whether to accept orders for products.